

SUB

Recent Trends in Turkish Foreign Trade

The excessive internal demand, inordinately high price levels and the poor grain exports which have plagued the Turkish economy in recent years, continue to make Turkey susceptible to Soviet-Bloc economic blandishments. With its credit virtually exhausted and most of its products priced too high to compete in Western markets, Turkey has been obliged to turn increasingly to barter deals with the Bloc. Imports from the Soviet-Bloc have risen from 7.9 percent of the total in 1950 to 18.3 percent in 1955, and export percentages have similarly risen from 6.9 percent to 21.8 percent in the same period.

The Turkish government, apparently aware of the disadvantages of extensive dealings with the Bloc, has taken measures to reverse the current trend and to re-orient its trade toward dollar and EPU areas. Pressure, however, from exporters as well as Sov Bloc countries has thus far militated against as full a realization of the government's intentions as had been desired.

Thus far in 1956, Turkey's serious economic predicament shows signs of improvement following drastic anti-inflationary measures taken by the government. While these measures have not yet directly affected the external payments situation this appears to have eased a little. Turkey's foreign trade for the first quarter of 1956 showed a deficit of \$12.4 million as compared with \$35.6 million a year ago. If internal stabilization can be achieved, export prices should become more competitive and help to overcome Turkey's chronic balance of payments difficulties.

However, the increasing availability within the Bloc of manufactured goods for export coupled with Turkish inability to dispose of its wheat and cotton exports in Western markets, make the Turks all the more receptive to Soviet Bloc trade offers. Turkish imports from the Bloc, during 1955 included: from Poland, cement products, steel paint and newsprint; Hungary, textiles, cement, glass, tractors and trucks; Rumania, paper, glass and paints; the Soviet Union, iron products, timber, glass and machinery; Czechoslovakia, leather products, fabricated iron and steel, trucks, paper and textiles. In turn, Turkey's exports included: livestock, goat hair and cotton to the

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to the Soviet Union; bran, tobacco, oilseeds, rags and cotton to Hungary; iron ore, sulphur, goat hair and borax to Poland; hides, goat hair and cotton to Czechoslovakia and to Roumania.

Without the prospect of a substantial increase in Free World aid and/or trade, Turkish scepticism over extensive economic entanglements with the Bloc may not be sufficient to stay it from a course which it apparently feels economic necessity dictates.

Turkey's Trade with Free World & East-Soviet Bloc 1952-1956, First Quarter 1957
(in millions of dollars and percent of total trade)

Turkish Exports	1952	%	1953	%	1954	%	1955	%	First Quarter 1957
Total to Free World	<u>242.6</u>	<u>24.4</u>	<u>366.7</u>	<u>22.6</u>	<u>279.8</u>	<u>83.5</u>	<u>244.7</u>	<u>78.1</u>	<u>81.3</u>
United States	57.9	16.0	60.2	20.3	58.2	17.4	48.6	15.5	33.5
United Kingdom	23.8	6.6	27.4	6.9	23.2	6.9	23.2	7.4	3.6
France	32.1	14.4	18.0	4.5	10.0	3.0	22.2	7.1	3.6
West Germany	35.9	23.7	60.7	15.3	59.8	17.9	49.1	15.7	1.5
Italy	25.6	7.1	52.2	13.2	20.8	6.2	25.3	8.1	12.7
Yugoslavia	14.8	4.1	19.5	4.9	16.6	5.0	10.2	3.3	16.4
									0.9
									33.6
									3.6
									1.5
									16.4
									0.9
									16.4
									0.9
Total to East-Soviet Bloc	20.3	5.6	29.3	7.4	55.1	16.5	68.6	21.8	18.5
Bulgaria	1.7	0.5	5.1	1.3	3.1	0.9	2.9	0.9	1.1
Czechoslovakia	6.1	1.7	10.2	2.6	12.8	3.6	20.7	6.6	5.4
East Germany	1.1	0.3	1.4	0.4	8.0	2.4	12.2	3.9	3.0
Hungary	7.2	2.0	7.5	1.9	4.8	1.4	9.4	3.0	1.6
Poland	1.4	0.3	2.4	0.6	14.9	4.4	14.0	4.5	5.6
Romania	0.7	0.2	0.3	0.1	6.2	1.9	4.2	1.3	1.5
USSR	2.4	0.7	2.4	0.6	5.2	1.6	5.2	1.7	1.5
China	g/	-	-	-	-	-	-	-	-
Total to World	362.9	100.0	396.0	100.0	334.9	100.0	313.3	100.0	99.7
									100.0

g. Less than \$500,000

	1952		1953		1954		1955		1956	
		%		%		%		%		%
Foreign Imports										
Total from Free World	535.3	96.3	503.4	94.5	433.3	90.6	406.3	81.7	28.7	88.0
United States	46.8	8.4	60.3	11.3	71.9	15.0	111.3	22.4	18.4	16.4
United Kingdom	98.9	17.8	73.0	14.0	41.8	8.7	39.0	7.8	9.5	8.5
France	26.6	4.8	32.4	6.1	33.5	7.0	83.9	6.0	6.7	6.0
West Germany	138.7	25.0	111.0	20.0	82.9	17.3	87.4	17.6	34.0	30.3
Italy	39.6	7.1	37.7	7.1	22.9	4.8	18.1	3.6	4.9	4.4
Yugoslavia	2.6	0.5	25.1	4.7	30.6	6.4	10.1	2.0	2.4	2.1
Total from Sino-Soviet Bloc										
	20.6	3.7	29.2	5.2	15.0	2.4	91.3	18.3	13.4	12.0
Bulgaria	1.3	0.2	4.4	0.8	3.4	0.7	4.0	0.8	0.7	0.6
Czechoslovakia	9.4	1.7	13.7	2.6	13.7	2.9	24.4	4.9	3.8	3.4
East Germany	0.6	0.1	1.5	0.3	5.3	1.1	14.7	3.0	3.2	2.9
Hungary	7.5	1.3	7.5	1.4	6.9	1.4	12.6	2.5	1.5	1.3
Poland	1.0	0.2	2.3	0.4	0.4	1.0	19.2	3.9	2.2	2.0
Romania	0.9	0.2	0.2	-	3.0	0.8	8.1	1.6	1.4	1.2
USSR	-	-	-	-	3.4	0.7	0.3	1.7	0.6	0.5
China	g/	-	g/	-	g/	-	-	-	-	-
Total from World	555.9	100.0	532.6	100.0	448.3	100.0	497.6	100.0	42.1	100.0

a. Less than \$500,000